

**FY 2014 COMMUNITY DEVELOPMENT PROGRAM  
Staff Report**

|  |              |                                       |                |   |               |                    |
|--|--------------|---------------------------------------|----------------|---|---------------|--------------------|
| <b>Project:</b> Center for Changing Lives<br>Lutheran Social Services  |              |                                       |                | <b>Application Number:</b><br>14-PF-02      Page 67 |               |                    |
| <b>Consolidated Plan Objective:</b> #12: Provide improvements to neighborhood facilities for accessibility and delivery of vital services. |              |                                       |                |   |               |                    |
| <b>FY 2014 Goal:</b> 1 facility  |              | <b>Amount Requested:</b><br>\$200,000 |                | <b>Performance Indicator:</b><br>Facility           |               |                    |
| <b>Previous Awards and Spending Rates (as of 3/31/12 in the 2011 CAPER):</b>   |              |                                       |                |   |               |                    |
|  | <b>Award</b> | <b>Expended</b>                       | <b>Balance</b> | <b>Goal</b>   | <b>Actual</b> | (Verified)<br>%LMI |
| <b>2012</b>  | n/a          |                                       |                |   |               |                    |
| <b>2011</b>  | n/a          |                                       |                |   |               |                    |
| <b>2010</b>  | n/a          |                                       |                |   |               |                    |

**1. Consolidated Plan Priority**

Con Plan Community Development Goals:

- This project will include acquisition and demolition of existing buildings on site and construction of a new LSS facility to include housing and services.
- LSS will move all of its Duluth programs for homeless and at-risk youth to this facility.
- The facility will include 10 units of transitional housing for homeless teens (6 of these units will be relocated from the Life Line Bldg. which would free those units for Life House to use as emergency or transitional housing for teens.)
- The facility will also include 10 affordable rental units for teens.

Priority Community Development Needs:

- Neighborhood Facilities for Homeless is a High Priority.

**2. Project Readiness**

Timely Completion/Expenditure of Funds:

- The project hopes to break ground at the end of 2014/early 2015
- No state or local dollars have been secured.
- A capital campaign is underway (goal is to raise ½ of needed funds (\$6 million)
- To date, \$1,250,000 in private contributions has been committed.

Additional Actions Needed:

- Architectural concept schematics and drawings are complete.
- Sources and uses and development pro-formas are in place.
- LSS has positioned itself to apply for MHFA Housing Infrastructure Bonds.
- Land the facility will be built on will be leased from First Lutheran Church.

### 3. Project Impact and Delivery

#### Achievement of Expected Results:

- Application describes the significance of the need.
- The activity proposed addresses a high priority need—serving homeless and at-risk youth.
- City has a similar facility for homeless and at-risk youth at Life House, but community has identified additional housing units for youth (young adults) as a high priority.

#### Target Clientele:

- Limited Clientele--100% of persons to be served will be youth between the ages of 13 and 24, who are homeless, at-risk of becoming homeless, exiting foster care and vulnerable. Homeless youth assisted through the housing units will be 'presumed' LMI because of their homeless status. However, income of other limited clientele served will need to be verified.

#### Outcome Measurements:

- LSS will need to align new homeless youth housing units with the CoC's Intake and Assessment protocols and procedures, but does not address that in this application.

#### Number of Persons/Households to Benefit:

- Application states that approximately 600 youth will be served annually through LSS support service programs and 20 to 30 homeless youth will be housed in the transitional and supportive housing units.

600 youth per year are expected to be served through the public facility:

- $\$200,000 \text{ (CDBG)} \div 600 \text{ participants} = \$333$

#### Business/Operations Plan Approach:

- The application states that it has a sustainable model that will be supported through general operating funds, grants, contracts and fundraising. Services housed in the new facility will pay what they are currently paying to lease space in the community now.
- Application does not address how LSS will collaborate with Life House to provide services to homeless youth without duplicating effort.

### 4. Financial Considerations

#### Sufficiency and Leveraging of Resources:

- \$50,000 has been secured : **< .05:1 ratio**
- 1,500,000 has been committed. **< .2:1.**

#### Fiscal Support and Viability:

- LSS has secured only a small portion of the funds needed and stated that CDBG and HOME funds will help them to secure the other funds needed.
- LSS is a long-standing community and statewide service provider with a history of receiving Federal, State and local funding. Therefore, it can be assumed that they regularly complete an audit.
- At this time, it is unknown if this project will have sufficient funds to begin construction in April of 2014.

#### Project Budget Detail/Use of Funds

- A detailed budget was submitted with the application that identifies sources and uses of project funds. However. They are requesting both CDBG Public Facility and HOME funds for 'hard' construction costs, but the budget does not specify what hard costs will be paid for through CDBG funds and what will be paid for with HOME funds. Home funds must be limited to the homeless housing units.

#### **5. Applicant Attributes**

##### Project /Program Management Ability and Capacity:

- LSS is a long-standing community and statewide service provider with a history of receiving Federal, State and local funding and has the capacity to manage this project.

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##### Past Performance/Experience:

- LSS has received CDBG Public Service funds in the past, but not recently.
- . They understand income compliance in regards benefitting LMI beneficiaries. Applicant has the ability and capacity to implement a process of documenting the income of its participants.

##### Quality of Application:

- Application is well written.

##### **BONUS POINTS:** Collaborative Application:

- This project is not a collaborative application.